

Work at home: new findings from the Current Population Survey

In May 1985, more than 8 million Americans reported at least 8 hours per week of home-based work; services, ranging from consulting to child care, were the most common pursuits of persons working substantial numbers of hours at home

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For some Americans, there is no separation of gainful work between the home and the workplace. A large number of persons regularly squeeze extra hours into their workweek by performing job-related chores at home. Others have completely eliminated the trip to work by setting up businesses or performing work-for-hire while at home.

In May 1985, the Bureau of Labor Statistics made its first attempt to determine the size of the home-based work force. Along with other questions on work practices, the respondents to the May survey were asked whether: "As part of . . . (the worker)'s regularly scheduled work, does . . . (he/she) do any of (his/her) work for . . . (the principal employer) at home?" Persons answering affirmatively were asked to estimate the number of hours of work done at home.

While more than 18 million people responded affirmatively, almost half of them worked at home for less than 8 hours a week. Another 770,000 were farmers or farm laborers. The remainder, nearly 8.4 million persons, had worked at home for 8 hours or more in the reference week, as part of a nonfarm job. They are the focus of most of the analysis which follows.

It should be noted that persons working at home on a second job or business were not counted among home-based

workers. "Work-at-home" as defined here pertains only to work done as part, or as an extension, of one's primary job. Of course, given this definition, it is possible that persons who regularly bring work home, such as managers reading or writing memos at home, or teachers grading papers, might consider such work to be "regularly scheduled," and will report it as home-based work.

Earlier studies

The May survey was the first specific attempt to estimate the size of the home-based work force. Other estimates had been available from secondary sources and private studies.¹ For example, in response to a special congressional request, the Census Bureau had produced a tabulation on persons working at home from the data gathered as part of the 1980 census.² The specific source for the study was a question on methods of travel to work, to which one possible response was "worked at home." According to the data, about 2.2 million persons were identified as home-based workers. More than half (1.2 million) of homeworkers were self employed.

More recently, a privately conducted study was designed to study work-at-home styles. In a telephone survey, respondents were asked questions about work hours, job satisfaction, and computer usage in the home. Nearly 60 percent of the respondents cited working part-time at home as the "ideal work arrangement."³

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Who are 'homeworkers'?

Of the 17.3 million persons with any home-based work in nonfarm occupations (regardless of the number of hours reported), about 9.6 million (55 percent) were men. (See table 1.) While men outnumbered women in the general classification of home-based work, women who worked at home had a stronger commitment to the home as a workplace. For example, women averaged 11.1 hours per week on home-based work, while men put in 9.3 hours. About 8 percent of the women worked 35 hours or more at home, compared with 4 percent of the men. Overall, there were 60 percent more women than men who worked the equivalent of a full-time week at home.

Work at home appears to be a particularly attractive option for older persons, for whom the daily commute to work can be very tiring. Nearly one fifth of all nonfarm home-based workers working 35 hours or more weekly consisted of persons over 55 years of age, a group that accounts for only 1 in 8 of all employed workers.

The distribution of home-based work by race also showed slightly higher percentages of white workers than are found in the overall labor force. There were about 660,000 black and Hispanic workers with 8 hours or more of home-based work.

Industrial and occupational comparisons

Much of the interest in home-based work has centered around a few key industries and occupations. For example, it is believed that a growing number of clerical workers are opting to establish their own businesses at home, having been attracted by the idea of "being one's own boss."⁴

Table 1. Employed persons working at home, by age, sex, and hours worked at home, May 1985
[Numbers in thousands]

Age and sex	Total	Number reporting hours worked at home ¹			
		Total	8 hours or more	35 hours or more	Mean hours
Total, 16 years and over	18,082	17,477	8,978	1,287	11.0
Total nonfarm workers,					
16 and over	17,313	16,748	8,404	965	10.1
25 years and over	16,236	15,700	7,943	925	10.2
25 to 34	5,158	4,984	2,364	243	9.3
35 to 44	5,506	5,374	2,660	271	9.9
45 to 54	3,199	3,094	1,637	215	10.8
55 and over	2,373	2,248	1,282	195	12.2
Men, 16 years and over	9,559	9,277	4,580	369	9.3
25 and over	9,071	8,799	4,385	365	9.4
25 to 34	2,727	2,655	1,220	63	8.2
35 to 44	3,102	3,023	1,471	117	9.2
45 to 54	1,794	1,744	925	92	10.0
55 and over	1,448	1,377	769	93	11.3
Women, 16 years and over	7,754	7,471	3,824	596	11.1
25 and over	7,164	6,900	3,559	560	11.3
25 to 34	2,431	2,329	1,144	181	10.5
35 to 44	2,404	2,350	1,189	155	10.7
45 to 54	1,405	1,350	712	123	11.8
55 and over	925	871	513	103	13.8

¹ Some workers who reported working at home did not provide numbers of hours actually worked. Estimates below relate only to those reporting actual hours worked.

Table 2. Employed persons in nonagricultural industries with 8 hours or more of home-based work, by industry and sex, May 1985

[In thousands]

Industry	Men		Women	
	8 hours or more	35 hours or more	8 hours or more	35 hours or more
Nonagricultural industries	4,565	368	3,790	585
Mining	53	5	25	5
Construction	391	11	93	19
Manufacturing	676	42	258	40
Durable goods	451	21	102	12
Nondurable goods	225	21	156	29
Transportation and public utilities	247	16	115	20
Wholesale and retail trade	799	45	494	51
Finance, insurance, and real estate	465	49	310	35
Services ¹	1,757	193	2,375	413
Public administration	161	3	120	2

¹ Excludes forestry and fisheries.

Clerical workers such as secretaries, typists, forms processors, and data entry personnel have seen a drop in the cost of capital equipment that has enabled them to set up shop at home. Declining prices for personal computers and other electronic equipment have given many persons in professional service industries, such as financial records processing and bookkeeping, an opportunity to begin a business with very low startup costs.

Table 2 presents counts of home-based workers who worked for 8 hours or more at home by major nonagricultural industry group and sex. By far the largest industry group of home-based workers is in services. This category includes educational, professional, and business and repair services, as well as such social services as child care. Nearly 60 percent of women who worked 8 hours or more at home were in the services industry, compared with only 35 percent of the men.

The longer an individual's weekly hours of home-based work, the more likely he or she is to be engaged in a services industry. More than half of men and two-thirds of women in nonagricultural industries with long hours of home-based work were in service industries.

A more detailed look at home-based work in services is presented in table 3. Business and repair services accounted for nearly 100,000 of the persons working full-time workweeks at home. This category includes a variety of establishments, such as business management and consulting services and computer and data processing services. Social services, which encompass child care, accounted for 110,000 full-time home-based workers. Another 90,000 home-based workers were in "other professional services," covering legal services, architectural services, religious organizations, and others.

Table 3 also presents counts by class of worker. It shows that among the universe of persons with 8 hours or more of home-based work in the reference week, the majority were private wage and salary workers, who may simply be bringing work home on a regular basis. However, among those

Table 3. Employed persons in the services industry with 8 hours or more of home-based work, by class of worker, May 1985
[In thousands]

Industry	8 hours or more				35 hours or more			
	Total	Wage and salary workers		All other workers ¹	Total	Wage and salary workers		All other workers ¹
		Incorporated self-employed	All other wage and salary workers			Incorporated self-employed	All other wage and salary workers	
Services ²	4,132	192	2,653	1,287	606	39	149	418
Private households	117	-	117	-	63	-	63	-
Business and repair services	679	67	255	357	97	11	10	76
Personal services, except private household	428	7	52	369	177	6	3	168
Entertainment and recreational services	111	9	35	67	20	2	4	14
Professional services	2,796	108	2,194	494	250	20	70	161
Hospitals	115	-	115	-	2	-	2	-
Health services, except hospitals	198	39	100	59	26	4	11	10
Educational services	1,545	-	1,510	35	19	-	15	4
Social services	234	11	108	115	110	6	19	85
Other professional services	705	58	363	284	92	9	22	61

¹ Includes the self-employed (unincorporated) and unpaid family workers.

NOTE: Dash indicates zero or rounds to zero.

² Excludes forestry and fisheries.

who worked 35 hours or more, close to 70 percent were self-employed in home-based, unincorporated businesses. Fewer than 10 percent of all full-time home-based workers were self-employed but incorporated.

It is not possible to determine from the May 1985 data how many persons working at home use a computer in their work, or how many persons "telecommute" to their jobs.⁵ No specific questions on this topic were asked as part of the survey supplement. However, some insight about the effects of technological change on work practices can be gained by examining the distribution of home-based work by occupation. (See table 4.) One of the largest occupational groups of home-based workers is in "financial records processing." This category includes bookkeepers, accountants, and audi-

tors, as well as persons operating billing, posting, and calculating machines.

The ranking of some occupations by incidence of home-based work might be surprising. This may be related to the fact that the May 1985 survey measured those who bring work home as well as those who have formally set up a home-based workplace. The difference between merely bringing some work home and doing all or most of one's work at home is often reflected in the number of hours worked at home. For example, teachers, who might grade papers or prepare lectures at home, accounted for 1.3 million of the 8.4 million nonfarm workers with 8 or more hours of such work, but virtually none of the teachers accumulated 35 or more hours at home. Similarly, while almost 40 percent of all employed managerial and professional specialty workers reported regular homework, only 270,000 of them accumulated full-time workweeks while at home. As noted earlier, a very large proportion of those with 35 or more hours of home-based work were in service occupations, and in particular, personal services.

Formalized arrangements rare

In standard classifications, the Bureau of Labor Statistics divides employed workers into three class-of-worker categories—wage and salary, self-employed, and unpaid family workers. For purposes of comparability with the Bureau's establishment data, those workers who are the nominal employees of corporations which they own—the "self-employed incorporated"—are treated as wage and salary workers. In our analysis, however, these workers are displayed separately, leaving an "all other wage and salary workers" category that consists entirely of persons employed by someone else.

Table 5 displays a breakdown of home-based workers according to this classification. It suggests that formalized business arrangements are rare for the typical home-based worker. Fewer than 7 percent of those working full time at

Table 4. Employed persons working at home, by major and selected nonfarm occupations and hours worked at home, May 1985

[Numbers in thousands]

Occupation	Total	Number reporting hours worked at home ¹			Mean hours
		Total	8 hours or more	35 hours or more	
Major occupation					
Total	17,313	16,748	8,404	965	10.1
Managerial and professional speciality	9,468	9,182	4,373	272	8.8
Technical, sales, and administrative support	4,979	4,827	2,427	256	9.9
Service occupations	1,074	1,025	715	326	21.7
Precision production, craft, and repair	1,186	1,138	578	60	9.9
Operators, fabricators, and laborers	582	552	287	50	11.2
Selected occupations					
Engineers	371	351	158	9	7.5
Mathematical and computer scientists	185	183	94	3	7.8
Teachers	2,949	2,866	1,301	14	7.9
Secretaries, stenographers, and typists	406	397	246	35	11.5
Financial records processing	498	485	293	55	13.4
Private household	141	128	109	63	28.9
Personal services	592	569	462	243	27.3

¹ See footnote 1, table 1.

Table 5. Percent distribution of employed persons with 8 hours or more of home-based work, by class of worker and sex, May 1985

Class of worker	Total		Men		Women	
	8 hours or more	35 hours or more	8 hours or more	35 hours or more	8 hours or more	35 hours or more
Total (in thousands) . . .	8,978	1,287	5,019	634	3,959	653
Percent distribution						
Total	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture	6.9	25.9	90.5	41.8	4.2	10.4
Self-employed unincorporated	5.1	21.5	7.4	37.4	2.2	6.1
Nonagriculture	93.1	74.0	91.0	58.0	95.7	89.6
Wage and salary	66.2	26.4	65.6	23.8	67.0	29.1
Self-employed incorporated	7.4	6.4	9.9	8.5	4.1	4.4
Private wage and salary	40.6	17.8	42.6	13.4	38.1	22.1
Government	18.3	2.2	13.1	1.7	24.9	2.5
Self-employed unincorporated	25.8	46.2	25.2	34.2	26.5	57.9
Unpaid family workers	1.1	1.4	.2	-	2.2	2.8

NOTE: Dash indicates zero or rounds to zero

home in nonagricultural jobs were incorporated. For agriculture and nonagriculture combined, about 2 of every 3 home-based workers who worked 35 hours or more were operating as unincorporated self-employed businesspersons.

Children and home-based work

Home-based work offers a chance for some persons with children to more effectively combine the roles of parent and worker. Elimination of commuting and child-care expenses can be a strong incentive for households with young children to experiment with home-based work. About 600,000 married mothers of children under 6 years of age reported some home-based work. (See table 6.) More than one-fifth of such women worked at home for 35 or more hours as part of their contribution to the job market.

In general, there were slight differences between women and men working in homes with young children. However, among nonfarm workers with 35 hours or more of home-based work, there were three times as many women with very young children as there were men.

Working exclusively at home

Using responses from the regular portion of the Current Population Survey as well as those from the May supplement, it is possible to compare the hours worked at home with all work hours during the previous week and thus identify persons working "entirely" at home. The classification showed 2.2 million persons working exclusively at home in May 1985. (See table 7.) About 390,000 of those working exclusively at home were in farming occupations, leaving almost 1.9 million persons as the home-based work force. About two-thirds of these were women.

As might be expected, the hours of persons working solely at home were far higher than the overall averages for

home-based work. Where work was conducted exclusively within (or from) one's home, men averaged 41.1 hours, while women totaled 27.7 hours. About half of the persons whose work was entirely home based were in service industries, such as professional services, business and repair services, and personal services. Only about 100,000 of the persons with home-based work in professional specialty occupations, which includes computer programming as a subset, worked entirely at home.

Restricted industries

In the 1940's, following a series of public hearings, the Labor Department moved to restrict home-based work in a number of narrowly defined industries. This recently criticized and reevaluated "patchwork" of regulations was directed toward those activities which had been found to be in violation of the Fair Labor Standards Act. The seven industries were: women's apparel, jewelry, gloves and mittens, knitted outerwear, buttons and buckles, handkerchiefs, and embroidery. Homework in those industries was permitted for individuals meeting specific certificate requirements. The recent arguments surrounding home-based work have crystalized around these apparel and accessory industries.⁶

The May 1985 data do not allow an accurate determination of the number of persons whose home-based work is in the various restricted industries. The industrial classification used in tabulating these data no longer coincides with the 1940's-based industry definitions upon which the restrictions were based. Some of the restricted industries extend across multiple classifications in the current data, or fall into a highly aggregated "all other" category, which includes industries in addition to the restricted one. However, it is possible to create an upper-bound estimate of the total number of persons affected by the restrictions by adding up workers in every detailed industry classification which overlaps with the restricted industries. Using the finest available breakdown of industries,⁷ it was estimated that the maximum number of persons working 8 hours or more at home in restricted industries could not exceed 125,000, and the number working 35 hours or more was below 20,000. About

Table 6. Employed married persons with 8 hours or more of home-based work, by presence and age of children, and sex, May 1985

(Numbers in thousands)

Presence and age of children	Men		Women	
	8 hours or more	35 hours or more	8 hours or more	35 hours or more
Total	3,868	505	2,658	504
Total nonfarm	3,514	277	2,549	457
Without children under age 18	1,519	142	1,162	198
With children under age 18	1,995	135	1,387	259
Children age 6 to 17, none younger	1,153	90	794	128
Children age 14 to 17, none younger	372	26	272	52
Children age 6 to 13	781	64	522	76
Children under age 6	842	45	594	132

Table 7. Employed persons working entirely at home by sex, occupation, industry, and hours worked at home, May 1985

[Numbers in thousands]

Sex, occupation, and industry	Total	8 hours or more	35 hours or more	Mean hours
Total, 16 years and over	2,243	1,992	1,067	32.1
Men	749	709	476	41.1
Women	1,494	1,284	591	27.7
Occupation				
Managerial and professional specialty	553	451	211	28.5
Technical, sales, and administrative support	593	482	210	25.4
Service occupations	504	478	288	34.0
Precision production, craft, and repair	142	121	55	27.0
Operators, fabricators, and laborers	82	76	38	28.5
Farming, forestry, and fishing	390	385	266	47.6
Industry				
Agriculture	421	403	277	45.7
Nonagricultural industries	1,823	1,589	790	29.0
Mining	16	14	5	(1)
Construction	81	66	24	25.0
Manufacturing	151	140	65	28.5
Durable goods	67	64	28	(1)
Nondurable goods	83	76	37	25.9
Transportation and public utilities	54	48	33	(1)
Wholesale trade	49	42	14	(1)
Retail trade	202	151	63	23.5
Finance, insurance, and real estate	111	102	64	34.0
Services	1,128	1,000	514	29.9
Public administration	25	22	3	(1)

¹ Data not shown where base is less than 75,000.

90,000 of these persons were in either the apparel industry—which includes both restricted and unrestricted work—or the jewelry industry. The total was evenly divided among

men and women. Because this was the first time this survey has been conducted, it is not possible to determine if this number of homeworkers has been increasing or decreasing. □

—FOOTNOTES—

¹ Margrethe Olson, *Overview of Work-at-Home Trends in the United States* (New York, New York University, August 1983.)

² U.S. Bureau of the Census, unpublished data prepared for the House Subcommittee on Employment and Housing, April 1986.

³ Electronic Services Unlimited, New York, NY, conducted a National Work-at-Home telephone survey in 1986 to determine work habits, buying needs, and preferences of home-based workers.

⁴ For a thorough review of home-based clerical work, see chapter 7, "Home Based Office Work," *Automation of America's Offices*, OTA-CIT-287 (Washington, Office of Technology Assessment, December 1985); or National Research Council, *Office Workstations in the Home* (Washington, National Academy Press, 1985).

⁵ Joanne H. Pratt, "Home Teleworking: A Study of its Pioneers," *Technological Forecasting and Social Change*, vol. 25, 1984, pp. 1-14.

⁶ For a complete listing of Federal restrictions, see *Federal Register* "Department of Labor 29 CFR Part 530, Employment of Homeworkers in Certain Industries, Final Rule, November 5, 1984," and "Regulations, Part 530: Employment of Homeworkers in Certain Industries (U.S. Department of Labor, Wage and Hour Division, WH Publication 1026, March 1980). For a viewpoint of organized labor on the issue of computer homework, see "AFL-CIO Resolution on Computer Homework" in *Office Workstations in the Home*.

⁷ The estimate was created using a list matching restricted industries with census detailed industry codes, provided by Mike Ginley, Wage and Hour Division, U.S. Department of Labor.